

**NORTHERN REVENUE SHARING TRUST ACCOUNT**

**SUPPLEMENTARY INFORMATION**

**and**

**FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2003**



## NORTHERN MUNICIPAL SERVICES

Northern Municipal Services (branch) is a branch of the Municipal Relations Division of the Department of Government Relations and Aboriginal Affairs (GRAA). The branch fosters the growth and development of northern communities and helps them work toward autonomous municipal status. The branch also assists northern municipalities to carry out their legislative and administrative responsibilities and provides them with advice and guidance in conducting their financial affairs and activities.

The branch supports northern communities by:

- providing advice, guidance and training to northern officials and the public on northern municipal matters, including administrative procedures, municipal accounting, bylaw enactment and enforcement, property taxation, and assessments;
- ensuring that northern municipal governments operate in compliance with provincial statutes and regulations;
- monitoring and assisting communities requiring financial management direction;
- acting, through the Minister, as the council for 11 northern communities designated as northern settlements, 14 recreational subdivisions, and the Northern Saskatchewan Administration District;
- providing municipal advisory services to 24 autonomous northern municipal governments;
- administering the Northern Revenue Sharing Trust Account (NRSTA) and the department's northern revenue sharing, capital, and water and sewer grants programs; and
- providing municipal administration and accounting services for northern settlements and recreational subdivisions.

### Financial Assistance

#### Northern Revenue Sharing Trust Account

Revenues collected on behalf of the northern hamlets and school divisions are transferred to them.

Revenues during 2003 were used, in part, to fund the Northern Capital Grants, the Northern Subdivision Development and the Northern Water and Sewer Grant programs, and to supplement

funding under the Northern Revenue Sharing Grants Program.

#### Northern Revenue Sharing Trust Account Summary of Taxes Levied and Collected

| Taxes levied                                      | 2003                | 2002                |
|---------------------------------------------------|---------------------|---------------------|
| Municipal                                         | \$ 1,207,748        | \$ 1,194,189        |
| Penalties                                         | 38,429              | 32,600              |
| School                                            | 3,897,578           | 3,655,518           |
| Penalties                                         | 177,754             | 345,832             |
| <b>Total</b>                                      | <b>\$ 5,321,509</b> | <b>\$ 5,228,139</b> |
| <b>Taxes collected</b>                            |                     |                     |
| Municipal                                         | \$ 1,250,861        | \$ 1,213,759        |
| School                                            | 4,092,822           | 3,695,117           |
| <b>Total</b>                                      | <b>\$ 5,343,683</b> | <b>\$ 4,908,876</b> |
| <b>Tax collections<br/>(as % of taxes levied)</b> | <b>100.4%</b>       | <b>93.9%</b>        |

#### Northern Revenue Sharing Trust Account Statement of Administrative Expenses for the Year Ended December 31, 2003

|                                                |                     |
|------------------------------------------------|---------------------|
| Management Board fees and expenses             | \$ 67,408           |
| Printing and office supplies                   | 5,197               |
| Computer maintenance and repairs               | 967                 |
| Advertising                                    | 635                 |
| Insurance                                      | 4,837               |
| Other fees and services                        | 10,112              |
| SAMA requisition fees                          | 29,670              |
| ATAP water works contract                      | 283,250             |
| Saskatchewan Environment administration charge | 430,000             |
| GRAA administration charge                     | 200,000             |
| Amortization on capital assets                 | 9,998               |
| Loss on disposal of assets                     | 9,131               |
| Transfer to allowances                         | 117,926             |
| <b>Total</b>                                   | <b>\$ 1,169,131</b> |

### Northern Revenue Sharing Grants Program

Supporting northern municipalities by providing operational funding assistance.

| Grant payments               | 2003         | 2002         |
|------------------------------|--------------|--------------|
| Towns                        | \$ 701,586   | \$ 617,215   |
| Northern villages            | 4,567,289    | 4,018,037    |
| Northern hamlets             | 1,102,959    | 953,881      |
|                              | 6,371,834    | 5,589,133    |
| Northern settlements         | 854,133      | 740,029      |
| Flin Flon boundary agreement | 35,057       | 35,201       |
| Total                        | \$ 7,261,024 | \$ 6,364,363 |

In addition the settlement of Uranium City was provided a supplementary grant of \$96,000 (2002-\$110,000 ) to offset the cost of running the water and sewer system.

### Northern Capital Grants Program

Supporting northern municipalities by providing capital funding assistance for constructing or upgrading municipal facilities, and to acquire furniture, fixtures, and equipment.

| Number of projects funded | 2003 | 2002 |
|---------------------------|------|------|
| Towns                     | 3    | 3    |
| Northern villages         | 19   | 13   |
| Northern hamlets          | 11   | 8    |
| Northern settlements      | 7    | 8    |
| Total                     | 40   | 32   |

#### Grant payments

|                      |            |            |
|----------------------|------------|------------|
| Towns                | \$ 122,170 | \$ 556,582 |
| Northern villages    | 561,981    | 283,015    |
| Northern hamlets     | 55,675     | 17,489     |
|                      | 739,826    | 857,086    |
| Northern settlements | 71,360     | 33,894     |
| Total                | \$ 811,186 | \$ 890,980 |

### Northern New Facilities Grants Program

Supporting northern municipalities by providing additional funding to communities lacking conventional water and sewer systems. Approved projects receive 100% funding for the design and construction of new water and sewer facilities and/or for the replacement of existing water and sewer mains.

| Number of projects funded | 2003 | 2002 |
|---------------------------|------|------|
| Northern villages         | ---  | ---  |
| Northern hamlets          | 1    | 1    |
| Northern settlements      | 4    | 9    |
| Total                     | 5    | 10   |

#### Grant payments

|                      |            |              |
|----------------------|------------|--------------|
| Northern villages    | \$ ---     | \$ ---       |
| Northern hamlets     | 256,736    | 1,905,757    |
|                      | 256,736    | 1,905,757    |
| Northern settlements | 511,888    | 2,790,365    |
| Total                | \$ 768,624 | \$ 4,696,122 |

### Northern Water and Sewer Upgrading Grants Program

Supporting northern municipalities by providing funding to upgrade existing water and sewer systems.

Prior to November 29, 2000, northern municipalities were eligible to receive funding up to 79% of total project cost for expansion or upgrading of existing water and sewer facilities.

Effective November 29, 2000, *The Northern Revenue Sharing Grants Regulations* were amended to provide northern municipalities with funding assistance in an amount equal to the greater of:

(a) the northern municipality's cost for any water and sewer expansion or upgrading projects less an amount equal to two mills on the most recent confirmed taxable assessment of the northern municipality; or,

(b) 85% of the total cost of the project itself.

| Number of projects funded | 2003               | 2002                |
|---------------------------|--------------------|---------------------|
| Towns                     | 5                  | 5                   |
| Northern villages         | 12                 | 13                  |
| Northern hamlets          | 7                  | 9                   |
| Northern settlements      | 1                  | ---                 |
| <b>Total</b>              | <b>25</b>          | <b>27</b>           |
| <b>Grant payments</b>     |                    |                     |
| Towns                     | \$3,237,215        | \$ 269,792          |
| Northern villages         | 1,021,406          | 1,094,897           |
| Northern hamlets          | 123,348            | 428,655             |
| General expenditures      | 79,745             | 43,972              |
|                           | 4,461,714          | 1,837,316           |
| Northern settlements      | 29,600             | 81,647              |
| <b>Total</b>              | <b>\$4,491,314</b> | <b>\$ 1,918,963</b> |

### Emergency Water and Sewer Program

Supporting northern municipalities in need of emergency funding to ensure safe water and sewer systems.

Projects are approved by the Minister of Government Relations on:

- the recommendation of the Northern Revenue Sharing Trust Account Management Board; and,
- confirmation from Saskatchewan Water Corporation that the situation is critical and meets the criteria of the program

The maximum assistance available under this program in a fiscal year is an amount equal to the greater of:

(a) the northern municipality's cost of all water and sewer projects undertaken in that fiscal year less an amount equal to two mills on the most recently confirmed taxable assessment on the northern municipality or;

(b) 85% of the northern municipality's cost of the emergency repair project.

| Number of projects funded | 2003              | 2002              |
|---------------------------|-------------------|-------------------|
| Towns                     | ---               | ---               |
| Northern villages         | 10                | 8                 |
| Northern hamlets          | 6                 | 5                 |
| <b>Total</b>              | <b>16</b>         | <b>13</b>         |
| <b>Grant payments</b>     |                   |                   |
| Northern villages         | \$ 348,026        | \$ 266,257        |
| Northern hamlets          | 28,755            | 93,478            |
|                           | 376,781           | 359,735           |
| Northern settlements      | ---               | ---               |
| <b>Total</b>              | <b>\$ 376,781</b> | <b>\$ 359,735</b> |

### Tax Title Properties

The NRSTA owns the following properties due to tax enforcement proceedings. The tax title properties are carried at the lower of the amount of taxes owing and net realizable value.

| Location          | No. of lots | Tax School        | Tax Municipal     |
|-------------------|-------------|-------------------|-------------------|
| Bear Creek        | 1           | \$ 2,233          | \$ 699            |
| Camsell Portage   | 5           | 5,952             | 2,205             |
| Stanley Mission   | 8           | 18,316            | 6,436             |
| Southend          | 1           | 3,252             | 933               |
| Uranium City      | 599         | 547,738           | 337,977           |
| Wollaston Lake    | 10          | 40,516            | 16,297            |
| Michel Village    | 1           | 3,223             | 933               |
| Patuanak          | 3           | 5,939             | 1,971             |
| St. George's Hill | 2           | 4,896             | 1,423             |
| Stony Rapids      | 3           | 2,372             | 808               |
| Timber Bay        | 1           | 681               | 250               |
| Turnor Lake       | 7           | 4,954             | 2,154             |
| Weyakwin          | 6           | 45,518            | 18,558            |
| Deschambault      | 5           | 23,504            | 8,874             |
| Kinoosao          | 1           | 1,642             | 478               |
| Sturgeon Landing  | 1           | 1,388             | 384               |
| Waden Bay         | 1           | 5,596             | 1,132             |
| <b>Total</b>      | <b>655</b>  | <b>\$ 717,720</b> | <b>\$ 401,482</b> |

**NORTHERN REVENUE SHARING TRUST ACCOUNT**  
**Payments To Management Board, Advisory Council and Employees**

| Recipient                 | Salaries                   | Travel                    | Honorarium                | Total                      |
|---------------------------|----------------------------|---------------------------|---------------------------|----------------------------|
| Abraham, Wilfred L.       | 4,324.00                   |                           |                           | 4,324.00                   |
| Augier, Robert            | 6,150.18                   |                           |                           | 6,150.18                   |
| Burlaka, Steve            | 23,878.02                  | 164.70                    |                           | 24,042.72                  |
| Cecile, Caisse            |                            | 2,951.56                  | 1,860.00                  | 4,811.56                   |
| Chaboyer, Brain           |                            | 5,203.23                  | 2,325.00                  | 7,528.23                   |
| Cone, Kevin               | 8,461.99                   |                           |                           | 8,461.99                   |
| Cook, Sharon              | 4,523.68                   |                           | 90.00                     | 4,613.68                   |
| Daniels, Terri            |                            | 693.24                    | 1,485.00                  | 2,178.24                   |
| Denago, Napoleon          | 11,397.56                  |                           |                           | 11,397.56                  |
| Gailey, Doug              |                            | 1,032.94                  | 1,395.00                  | 2,427.94                   |
| German, Adam              | 28,698.31                  |                           |                           | 28,698.31                  |
| Guetre, Ephrem            | 3,751.95                   |                           |                           | 3,751.95                   |
| Hanson, Nancy             | 2,062.28                   |                           |                           | 2,062.28                   |
| Hardlotte, Solomon        | 2,197.55                   |                           |                           | 2,197.55                   |
| Hardlotte, Charles        | 2,101.09                   |                           |                           | 2,101.09                   |
| Herman, Dean              |                            | 2,512.11                  | 280.00                    | 2,792.11                   |
| Herman, Earl              | 3,155.75                   |                           |                           | 3,155.75                   |
| Herman, George            | 6,635.92                   |                           | 120.00                    | 6,755.92                   |
| Herman, Jason             | 10,535.33                  |                           | 90.00                     | 10,625.33                  |
| Herman, Lloyd             | 16,715.89                  | 797.21                    |                           | 17,513.10                  |
| Herman, Neil Nelson       | 3,657.13                   |                           |                           | 3,657.13                   |
| Janvier, Alistair         | 6,783.37                   |                           | 90.00                     | 6,873.37                   |
| Janvier, Corey            | 6,665.40                   |                           |                           | 6,665.40                   |
| Janvier, George           | 6,783.37                   |                           | 110.00                    | 6,893.37                   |
| Laprise, Casey            | 6,724.39                   |                           | 370.00                    | 7,094.39                   |
| Laprise, Dora             | 5,593.76                   | 3,882.51                  | 820.00                    | 10,296.27                  |
| Laprise, Tobie            | 3,810.94                   |                           |                           | 3,810.94                   |
| Lemaigre, Jonas           | 993.42                     | 705.00                    | 370.00                    | 2,068.42                   |
| Lenko, Carolyn            | 3,161.57                   |                           |                           | 3,161.57                   |
| McKay, Arthur             | 2,142.11                   |                           |                           | 2,142.11                   |
| McKenzie, Ann Rose        | 9,035.03                   |                           | 210.00                    | 9,245.03                   |
| McKenzie, William         | 3,245.47                   |                           | 330.00                    | 3,575.47                   |
| McKenzie, Solomon         | 5,530.48                   | 152.60                    |                           | 5,683.08                   |
| McLeod, Albert            | 2,084.46                   |                           |                           | 2,084.46                   |
| McLeod, Irvine            | 14,470.93                  |                           |                           | 14,470.93                  |
| Merasty, Roderick         | 21,961.67                  |                           |                           | 21,961.67                  |
| Moise, George             | 9,499.86                   |                           |                           | 9,499.86                   |
| Montgrand, Edward         | 8,382.14                   |                           |                           | 8,382.14                   |
| Montgrand, Phillip        | 15,300.80                  | 1,450.56                  | 650.00                    | 17,401.36                  |
| Montgrand, Ryan           | 3,362.19                   |                           |                           | 3,362.19                   |
| Petit, Frank              |                            | 2,285.62                  | 610.00                    | 2,895.62                   |
| Piche, Armand             | 2,097.77                   |                           |                           | 2,097.77                   |
| Powder, Bernard Jr.       | 3,189.24                   |                           |                           | 3,189.24                   |
| Roberts, Charles          | 13,307.45                  | 290.01                    |                           | 13,597.46                  |
| Stomp, Gordon             |                            | 618.58                    | 2,945.00                  | 3,563.58                   |
| Sylvestre, Antoine        | 3,575.00                   |                           |                           | 3,575.00                   |
| Sylvestre, John           | 1,710.59                   | 2,595.03                  | 930.00                    | 5,235.62                   |
| Toulejour, Jeff           | 3,722.46                   |                           |                           | 3,722.46                   |
| Toulejour, Percy          | 3,362.19                   |                           |                           | 3,362.19                   |
| Tsannie, William          | 8,581.73                   |                           |                           | 8,581.73                   |
| Wheeler Beverly           |                            | 1,754.71                  | 1,782.50                  | 3,537.21                   |
| <b>Total &gt; \$2,000</b> | <b>313,324.42</b>          | <b>27,089.61</b>          | <b>16,862.50</b>          | <b>357,276.53</b>          |
| <b>Total &lt; \$2,000</b> | <b>37,614.71</b>           | <b>3,941.25</b>           | <b>6,882.50</b>           | <b>48,438.46</b>           |
| <b>Total</b>              | <b><u>\$350,939.13</u></b> | <b><u>\$31,030.86</u></b> | <b><u>\$23,745.00</u></b> | <b><u>\$405,714.99</u></b> |



**Provincial Auditor Saskatchewan**

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SASKATCHEWAN

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May 12, 2004

The Honourable L. Taylor  
Minister of Government Relations  
Room 315, Legislative Building  
REGINA, Saskatchewan  
S4S 0B3

Dear Sir:

**Re: Northern Revenue Sharing Trust Account  
Financial Statements**

We enclose the financial statements of Northern Revenue Sharing Trust Account for the year ended December 31, 2003 and our report on these financial statements.

Yours truly,

Fred Wendel, CMA, CA  
Provincial Auditor

/ce  
Enclosure

cc: The Honourable H. Van Mulligen, Chair, Treasury Board  
Mr. R. Styles, Secretary, Treasury Board  
Mr. T. Paton, Provincial Comptroller, Department of Finance  
Mr. B. Cotter, Q.C., Deputy Minister of Government Relations and Aboriginal Affairs  
Mr. R. Braaten, Director, Northern Municipal Services Branch, Government Relations  
and Aboriginal Affairs  
Mr. T. Bunz, Manager, Financial Services, Northern Municipal Services Branch,  
Government Relations and Aboriginal Affairs

**NORTHERN REVENUE SHARING TRUST ACCOUNT**

**FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2003**



## Provincial Auditor Saskatchewan

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SASKATCHEWAN

### AUDITOR'S REPORT

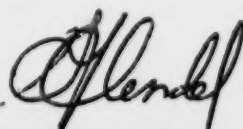
To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Northern Revenue Sharing Trust Account as at December 31, 2003 and the statements of operations, change in net financial assets, and cash flows for the year then ended. The Northern Revenue Sharing Trust Account's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Northern Revenue Sharing Trust Account as at December 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan  
February 18, 2004

  
Fred Wendel, CMA, CA  
Provincial Auditor

## Statement 1

**NORTHERN REVENUE SHARING TRUST ACCOUNT**  
**STATEMENT OF FINANCIAL POSITION**  
**As at December 31**

|                                        | <u>2003</u>          | <u>2002</u><br>Restated<br>(Note 3) |
|----------------------------------------|----------------------|-------------------------------------|
| <b>Financial assets</b>                |                      |                                     |
| Cash                                   | \$ 5,054,356         | \$ 993,420                          |
| Temporary investments                  | 19,000,000           | 21,000,000                          |
| Accounts receivable (Note 5)           | 2,523,540            | 3,102,947                           |
| Inventory for resale                   | <u>299,675</u>       | <u>331,480</u>                      |
|                                        | <u>26,877,571</u>    | <u>25,427,847</u>                   |
| <b>Liabilities</b>                     |                      |                                     |
| Unearned revenue (Note 8)              | 1,563,261            | 1,728,585                           |
| Grants payable                         | 2,755,535            | 1,654,907                           |
| Accounts payable (Note 6)              | 769,940              | 665,307                             |
| Revenues collected for others (Note 7) | <u>254,879</u>       | <u>99,710</u>                       |
|                                        | <u>5,343,615</u>     | <u>4,148,509</u>                    |
| <b>Net financial assets</b>            | <u>\$ 21,533,956</u> | <u>\$ 21,279,338</u>                |
| <b>Non financial assets</b>            |                      |                                     |
| Tangible capital assets (Note 9)       | \$ 5,849,151         | \$ 6,258,529                        |
| Prepaid expenses                       | 107,500              | 107,599                             |
| Land held for resale                   | ---                  | 25,449                              |
| Tax title properties                   | <u>---</u>           | <u>7,809</u>                        |
|                                        | <u>5,956,651</u>     | <u>6,399,386</u>                    |
| <b>Accumulated surplus (Note 11)</b>   | <u>\$ 27,490,607</u> | <u>\$ 27,678,724</u>                |
| <b>Commitments (Note 14)</b>           |                      |                                     |

(see accompanying notes to the financial statements)

**NORTHERN REVENUE SHARING TRUST ACCOUNT**  
**STATEMENT OF OPERATIONS**  
For the year ended December 31

|                                               | 2003                      |                      | 2002                           |
|-----------------------------------------------|---------------------------|----------------------|--------------------------------|
|                                               | Budget<br>(Note 10)       | Actual               | Actual<br>Restated<br>(Note 3) |
| <b>Revenues (Note 11)</b>                     |                           |                      |                                |
| Transfers                                     | \$ 9,163,483              | \$ 10,337,836        | \$ 8,047,504                   |
| Lease fees                                    | 4,004,725                 | 3,891,056            | 4,091,792                      |
| Taxation                                      | 1,195,991                 | 1,137,729            | 1,118,628                      |
| Interest                                      | 457,900                   | 674,657              | 667,508                        |
| Utility and fuel sales                        | 760,740                   | 549,436              | 711,455                        |
| Land sales                                    | 150,000                   | 166,539              | 243,851                        |
| Other                                         | 43,136                    | 85,641               | 34,208                         |
|                                               | <u>15,775,975</u>         | <u>16,842,894</u>    | <u>14,914,946</u>              |
| <b>Expenses (Notes 11 &amp; 16)</b>           |                           |                      |                                |
| Transfers                                     |                           |                      |                                |
| Northern revenue sharing                      | 6,651,939                 | 6,606,141            | 5,683,193                      |
| Water and sewer                               | 10,422,860                | 5,095,234            | 3,882,986                      |
| Northern capital                              | 1,418,790                 | 739,826              | 857,086                        |
| Northern residential subdivision<br>(Note 12) | 1,011,000                 | 709,116              | 29,286                         |
| New North                                     | 245,000                   | 237,571              | 269,000                        |
| Fuel operating costs                          | 596,980                   | 568,537              | 757,627                        |
| Municipal services                            |                           |                      |                                |
| General government                            | 1,376,100                 | 1,640,428            | 996,843                        |
| Utilities operating cost                      | 396,666                   | 522,239              | 235,839                        |
| Recreation and cultural                       | 168,600                   | 291,722              | 254,838                        |
| Environmental                                 | 349,080                   | 282,310              | 243,584                        |
| Transportation services                       | 276,550                   | 213,851              | 221,409                        |
| Protective services                           | 35,500                    | 42,700               | 11,560                         |
| Public health and welfare                     | ---                       | 957                  | 4,886                          |
| Planning and development                      | ---                       | 23,602               | 2,736                          |
| Bad debt provision                            | 109,825                   | 56,777               | 295,050                        |
|                                               | <u>23,058,890</u>         | <u>17,031,011</u>    | <u>13,745,923</u>              |
| <br>(Deficit) surplus for the year            | <br><u>\$ (7,282,915)</u> | <br>(188,117)        | <br>1,169,023                  |
| Accumulated surplus, beginning of year        |                           | 27,678,724           | 26,509,701                     |
| Accumulated surplus, end of year              |                           | <u>\$ 27,490,607</u> | <u>\$ 27,678,724</u>           |

(see accompanying notes to the financial statements)

**NORTHERN REVENUE SHARING TRUST ACCOUNT**  
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**For the year ended December 31**

|                                                                   | 2003                  |                      | 2002                 |
|-------------------------------------------------------------------|-----------------------|----------------------|----------------------|
|                                                                   | Budget                | Actual               | Actual               |
| (Deficit) surplus for the year                                    | \$ (7,282,915)        | \$ (188,117)         | \$ 1,169,023         |
| Acquisition of tangible capital assets                            | (509,650)             | (644,377)            | (3,105,440)          |
| Amortization of tangible capital assets                           | ---                   | 645,168              | 412,757              |
| Write-down of tangible capital assets                             | ---                   | 307,475              | ---                  |
| Proceeds on sale of tangible capital assets                       | ---                   | 123,356              | ---                  |
| Gain on sale of tangible capital assets                           | ---                   | (22,244)             | ---                  |
| Write-down of land held for resale and tax title properties       | ---                   | 28,158               | ---                  |
| Proceeds on sale of land held for resale and tax title properties | ---                   | 5,100                | ---                  |
| Use of prepaid expenses                                           | ---                   | 99                   | ---                  |
| Net increase (decrease) in net financial assets                   | <u>\$ (7,792,565)</u> | <u>254,618</u>       | <u>(1,523,660)</u>   |
| Net financial assets, beginning of year                           |                       | <u>21,279,338</u>    | <u>22,802,998</u>    |
| Net financial assets, end of year                                 |                       | <u>\$ 21,533,956</u> | <u>\$ 21,279,338</u> |

(see accompanying notes to the financial statements)

**NORTHERN REVENUE SHARING TRUST ACCOUNT**  
**STATEMENT OF CASH FLOWS**  
**For the year ended December 31**

|                                                                            | <u>2003</u>         | <u>2002</u>        |
|----------------------------------------------------------------------------|---------------------|--------------------|
| Cash flows provided by (used in) operating activities                      |                     |                    |
| Cash receipts from the General Revenue Fund                                | \$ 10,748,777       | \$ 6,891,503       |
| Cash receipts from leases and land sales                                   | 4,145,628           | 4,523,461          |
| Cash receipts from taxes                                                   | 1,141,479           | 1,122,820          |
| Cash receipts from interest                                                | 616,167             | 791,279            |
| Cash receipts from utility and fuel sales                                  | 517,147             | 694,369            |
| Cash receipts from other sources                                           | 180,521             | 50,863             |
| Cash paid as transfers                                                     | (12,333,779)        | (10,731,312)       |
| Cash paid for municipal services and fuel operating costs                  | (2,439,083)         | (2,520,171)        |
| Cash flows provided by operating activities                                | <u>2,576,857</u>    | <u>822,812</u>     |
| Cash flows provided by (used in) capital transactions                      |                     |                    |
| Purchase of tangible capital assets                                        | (644,377)           | (3,105,440)        |
| Proceeds from disposal of tangible capital assets and tax title properties | 128,456             | ---                |
| Cash flows provided by (used in) capital transactions                      | <u>(515,921)</u>    | <u>(3,105,440)</u> |
| Cash flows provided by (used in) investing activities                      |                     |                    |
| Disposal of temporary investments                                          | 63,500,000          | 199,000,000        |
| Purchase of temporary investments                                          | (61,500,000)        | (197,250,000)      |
| Cash flows provided by (used in) investing activities                      | <u>2,000,000</u>    | <u>1,750,000</u>   |
| Net increase (decrease) in cash                                            | 4,060,936           | (532,628)          |
| Cash, beginning of year                                                    | 993,420             | 1,526,048          |
| Cash, end of year                                                          | <u>\$ 5,054,356</u> | <u>\$ 993,420</u>  |

(see accompanying notes to the financial statements)

**NORTHERN REVENUE SHARING TRUST ACCOUNT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2003**

**1. Authority and organization description**

The Northern Revenue Sharing Trust Account (NRSTA) was established by Section 287 of *The Northern Municipalities Act* (Act). The NRSTA is administered by the Northern Municipal Services Branch of the Department of Government Relations and Aboriginal Affairs (GRAA). The NRSTA administers all revenues relating to the Northern Saskatchewan Administration District (NSAD) and all moneys appropriated by the Legislature for the purposes of northern revenue sharing and other grant programs.

The Northern Revenue Sharing Grants Program provides operational funding to northern municipalities. The grants are authorized under *The Northern Municipalities Revenue Sharing Program Regulations, 1988*.

The Northern Water and Sewer Program was established to provide funding to northern municipalities to develop and install or upgrade water and sewer systems to ensure residents have access to a safe potable water supply.

The Northern Capital Grant Program provides funding to northern municipalities with limited sources of revenue to assist in the construction and upgrade of municipal facilities.

The Northern Residential Subdivision Program provides for the development of residential lots. Many of the municipalities in the NSAD do not have sufficient tax bases or other sources of revenue necessary to develop a subdivision. Ownership of the developed lots is, by agreement with the municipalities, transferred to the NRSTA.

The Saskatchewan Association of Northern Communities (New North) serves as a liaison between the northern municipalities and GRAA, and is an advocate voice for northern municipalities. The transfer to New North is to assist them in promoting membership in their association.

Pursuant to the Act, the NRSTA collects taxes for northern hamlets and northern school divisions. Taxes levied on behalf of northern hamlets and northern school divisions are not considered revenue of the NRSTA and are not reflected in the Statement of Operations. These taxes are remitted to the respective entities when received.

**2. Significant accounting policies**

These financial statements are prepared using accounting principles appropriate for the public sector and reflect the following significant accounting policies:

**a) Tangible capital assets**

Tangible capital assets are recorded at cost in the year acquired less accumulated amortization. The NRSTA's tangible capital asset policy requires items with a cost of \$100 or more and an estimated useful life of greater than a year to be capitalized. All costs directly attributable to the acquisition, construction, development or betterment are included. Assets are amortized commencing in the year the asset is acquired using the straight-line method over their estimated useful lives as follows:

|                                |             |
|--------------------------------|-------------|
| Buildings                      | 25 years    |
| Machinery and equipment        | 10 years    |
| Office furniture and equipment | 3 – 5 years |
| Water and sewer infrastructure | 25 years    |
| Other                          | 10 years    |

Tangible capital assets are written down when the asset no longer contributes to the NRSTA's ability to provide goods and services, or when the value of future economic benefits of the tangible capital assets are less than their net book value.

The historical costs of developing roads and similar infrastructure have not been valued nor included as part of the tangible capital assets.

b) Inventory for resale

Inventory is fuel held for resale and is valued at the lower of cost, determined on a first in first out basis, and net realizable value.

c) Tax title properties

Properties acquired through the tax enforcement process are recorded at the lower of the outstanding taxes and the net realizable value.

d) Land held for resale

Land held for resale is recorded at the lower of cost and net realizable value.

e) Revenue

Revenues are recorded on the accrual basis. Government transfers are recognized as revenue in the period during which the transfer is authorized and any eligibility criteria are met.

f) Expenses

Transfers include grants and project cost-sharing arrangements and are recognized as expenses in the period during which the transfer is authorized and any eligibility criteria are met.

g) Northern Residential Subdivision Program – land development costs

The NRSTA incurs land development costs for the Northern Residential Subdivision Program. Under the program, the NRSTA develops lots for sale to private individuals or organizations. These costs include subdivision design and installation of power and water and sewer services. The NRSTA determines the recoverability of these costs based on firm commitments from prospective buyers. The NRSTA expenses these costs in the year the costs are incurred if it has no firm commitment from prospective buyers. However, when the NRSTA has a firm commitment from a prospective buyer it records the related costs as assets on the Statement of Financial Position. The NRSTA recognizes the sale of developed lots in the year the lots are sold.

h) Temporary investments

Temporary investments are short-term deposits that mature within one year and are recorded at cost, which approximates their market value.

### 3. Change of accounting policy

The NRSTA adopted, effective January 1, 2003, the Public Sector Accounting recommendations on tangible capital assets. The recommendation requires that tangible capital assets be recorded as non financial assets in the Statement of Financial Position. Amortization of the tangible capital assets is charged to the Statement of Operations. Previously, tangible capital assets were charged to expenses in the year that they were acquired. The change in accounting policy has been made retroactively and the effect of the change on the prior and current year financial statements is as follows:

### 3. Change of accounting policy (continued)

|                                                            | 2003                 | 2002                 |
|------------------------------------------------------------|----------------------|----------------------|
| Surplus (deficit) for the year, before restatement         | \$ 221,261           | \$ (1,523,660)       |
| Add back tangible capital asset expenditures               | 644,377              | 3,105,440            |
| Deduct amortization charge                                 | (645,166)            | (412,757)            |
| Deduct loss on disposal of tangible capital assets         | (285,233)            | ---                  |
| Deduct proceeds from disposal of tangible capital assets   | (123,356)            | ---                  |
| Restated (deficit) surplus for the year                    | <u>\$ (188,117)</u>  | <u>\$ 1,169,023</u>  |
| Accumulated surplus, beginning of year, before restatement | \$ 21,420,195        | \$ 22,943,855        |
| Add back beginning cost of tangible capital assets         | 14,256,424           | 11,150,984           |
| Deduct beginning accumulated amortization                  | (7,997,895)          | (7,585,138)          |
| Restated accumulated surplus, beginning of year            | <u>\$ 27,678,724</u> | <u>\$ 26,509,701</u> |
| Accumulated surplus, end of year, before restatement       | \$ 21,642,992        | \$ 21,420,195        |
| Add change in (deficit) surplus, for the year              | (410,914)            | 2,692,683            |
| Add change in surplus, beginning of year                   | 6,258,529            | 3,565,846            |
| Restated accumulated (deficit) surplus, end of year        | <u>\$ 27,490,607</u> | <u>\$ 27,678,724</u> |

### 4. Financial Instruments

The NRSTA's financial instruments include temporary investments, accounts receivable, grants payable, accounts payable and revenues collected for others. The fair value of these instruments approximates carrying value due to their immediate or short-term nature. The temporary investments are term deposits with a weighted average term to maturity of 60 days (2002 - 171 days) and bear interest ranging from 1.35% - 2.80% per annum (2002 - 1.40% - 3.00%).

### 5. Accounts receivable

|                                                             | 2003                | 2002                |
|-------------------------------------------------------------|---------------------|---------------------|
| Due from GRAA - General Revenue Fund                        | \$ 1,729,971        | \$ 2,147,176        |
| Lease fees receivable                                       | 307,421             | 463,312             |
| Accrued interest                                            | 127,737             | 69,247              |
| Fuel sales receivable                                       | 105,792             | 137,905             |
| Receivable from federal government (goods and services tax) | 106,611             | 162,236             |
| Taxes                                                       | 26,764              | 30,514              |
| Other                                                       | 119,244             | 92,557              |
|                                                             | <u>\$ 2,523,540</u> | <u>\$ 3,102,947</u> |

The NRSTA's accounts receivable above are net of a provision of \$394,749 for taxes, \$763,827 for leases, and \$4,680 for other receivables that are considered doubtful, for a total provision of \$ 1,163,256 (2002 - \$1,152,064).

## 6. Accounts payable

|                                                           | 2003              | 2002              |
|-----------------------------------------------------------|-------------------|-------------------|
| Department of Environment lease fees                      | \$ 561,778        | \$ 463,312        |
| GRAA administration fee                                   | 150,000           | 150,000           |
| Advances received from municipalities for water and sewer | ---               | 51,242            |
| Other                                                     | 58,162            | 753               |
|                                                           | <u>\$ 769,940</u> | <u>\$ 665,307</u> |

## 7. Revenues collected for others

|                                          | 2003              | 2002             |
|------------------------------------------|-------------------|------------------|
| School taxes due to school division      | \$ 248,337        | \$ 95,666        |
| Municipal taxes collected due to hamlets | 6,542             | 4,044            |
|                                          | <u>\$ 254,879</u> | <u>\$ 99,710</u> |

## 8. Unearned revenue

Unearned revenue of \$1,563,261 (2002 - \$1,728,585) represents Crown land leases collected by the Department of Environment from third parties and paid to the NRSTA relating to future periods.

## 9. Tangible capital assets

Tangible capital and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold. Capital work in progress relates to water and sewer design expenses that were capitalized. These design costs are capitalized under work in progress until they are fully operational. It was decided not to construct some of the water works as initially planned. Therefore, these design costs provide no service or value and have been written down to zero. The write down is recorded as part of the loss on disposal of tangible capital assets.

Tangible capital assets of \$2,019,293 were written off during the year of which \$1,328,763 were at Uranium City. The tangible capital assets written off had a net book value of \$307,475 and were written off since these assets would no longer be providing future service.

(thousands of dollars)

|                                           | 2003 |           |                       |                              |       |               |                           | 2002    |        |
|-------------------------------------------|------|-----------|-----------------------|------------------------------|-------|---------------|---------------------------|---------|--------|
|                                           | Land | Buildings | Machinery & Equipment | Office Furniture & Equipment | Other | Water & Sewer | Capital Works in Progress | Total   | Total  |
| Opening cost                              | 20   | 3,930     | 2,467                 | 316                          | 252   | 7,038         | 233                       | 14,256  | 11,151 |
| Additions                                 | ---  | ---       | 76                    | 1                            | 3     | 519           | 45                        | 644     | 3,105  |
| Disposals and write-downs                 | (20) | (150)     | (379)                 | (172)                        | ---   | (1,050)       | (247)                     | (2,018) | ---    |
| Closing cost of tangible capital assets   | ---  | 3,780     | 2,164                 | 145                          | 255   | 6,507         | 31                        | 12,882  | 14,256 |
| Opening accumulated amortization          | ---  | 2,747     | 1,560                 | 266                          | 175   | 3,250         | ---                       | 7,998   | 7,585  |
| Annual amortization                       | ---  | 166       | 206                   | 14                           | 15    | 244           | ---                       | 645     | 413    |
| Disposals and write-downs                 | ---  | (42)      | (356)                 | (163)                        | ---   | (1,049)       | ---                       | (1,610) | ---    |
| Closing accumulated amortization          | ---  | 2,871     | 1,410                 | 117                          | 190   | 2,445         | ---                       | 7,033   | 7,998  |
| Net book value of tangible capital assets | ---  | 909       | 754                   | 28                           | 65    | 4,062         | 31                        | 5,849   | 6,258  |

## 10. Budget

The budget for 2003 was approved by the Associate Deputy Minister of the Municipal Relations Division of GRAA.

## 11. Designated assets

Included in the NSAD are northern settlements and recreational subdivisions. Under the Act, revenues collected with respect to northern settlements and recreational subdivisions must be used for the benefit of the respective communities and are not available for general purposes. The Act specifies that revenues derived from the sale of Crown land within the boundaries of a northern settlement are to be expended on capital works in that northern settlement. The Act also specifies that the revenue derived from the sale of capital assets must be spent on capital works.

Following is additional information on revenues, expenses and accumulated surplus of northern settlements and recreational subdivisions.

|                                        | 2003                    |                              |                     | 2002                          |
|----------------------------------------|-------------------------|------------------------------|---------------------|-------------------------------|
|                                        | Northern<br>Settlements | Recreational<br>Subdivisions | Total               | Total<br>Restated<br>(Note 3) |
| <b>Revenues</b>                        |                         |                              |                     |                               |
| Transfers                              |                         |                              |                     |                               |
| Water and sewer                        | \$ 541,488              | \$ ---                       | \$ 541,488          | \$ 2,871,820                  |
| Northern revenue sharing               | 950,133                 | ---                          | 950,133             | 850,029                       |
| Northern capital                       | 71,360                  | ---                          | 71,360              | 33,893                        |
| Other                                  | 117,129                 | 401                          | 117,530             | 64,830                        |
| Utility and fuel sales                 | 549,436                 | ---                          | 549,436             | 711,455                       |
| Interest                               | 87,843                  | 12,886                       | 100,729             | 82,775                        |
| Taxation                               | 30,611                  | 71,756                       | 102,367             | 105,599                       |
| Lease fees and land sales              | 17,517                  | 220                          | 17,737              | 26,249                        |
| Other                                  | 78,274                  | 7,303                        | 85,577              | 33,318                        |
|                                        | <u>2,443,791</u>        | <u>92,566</u>                | <u>2,536,357</u>    | <u>4,779,968</u>              |
| <b>Expenses</b>                        |                         |                              |                     |                               |
| Fuel costs                             | 568,537                 | ---                          | 568,537             | 757,627                       |
| Bad debt provision                     | 32,435                  | ---                          | 32,435              | 31,242                        |
| Municipal services                     |                         |                              |                     |                               |
| General government                     | 579,746                 | 9,471                        | 589,217             | 247,544                       |
| Utilities operating costs              | 520,123                 | 2,116                        | 522,239             | 235,839                       |
| Recreation and cultural                | 283,018                 | 8,704                        | 291,722             | 254,838                       |
| Environmental                          | 263,342                 | 18,968                       | 282,310             | 243,584                       |
| Transportation                         | 180,201                 | 33,650                       | 213,851             | 221,409                       |
| Protective services                    | 36,115                  | 6,585                        | 42,700              | 11,560                        |
| Public health and welfare              | 957                     | ---                          | 957                 | 4,886                         |
| Planning and development               | 23,602                  | ---                          | 23,602              | 2,736                         |
|                                        | <u>2,488,076</u>        | <u>79,494</u>                | <u>2,567,570</u>    | <u>2,011,265</u>              |
| (Deficit) surplus for the year         | (44,285)                | 13,072                       | (31,213)            | 2,768,703                     |
| Accumulated surplus, beginning of year | <u>9,269,630</u>        | <u>461,316</u>               | <u>9,730,946</u>    | <u>6,962,243</u>              |
| Accumulated surplus, end of year       | <u>\$ 9,225,345</u>     | <u>\$ 474,388</u>            | <u>\$ 9,699,733</u> | <u>\$ 9,730,946</u>           |
| Net financial assets, end of year      | <u>\$ 3,419,370</u>     | <u>\$ 363,335</u>            | <u>\$ 3,782,705</u> | <u>\$ 3,377,328</u>           |

The accumulated surplus at the end of the year includes the net financial assets and the net book value of the tangible capital assets of the northern settlements and recreational subdivisions.

## 12. Northern residential subdivision program

Northern residential subdivision costs are accounted for in accordance with the policy in Note 2 (g). The development costs include subdivision design and installation of power and water and sewer services. During the year, the NRSTA expensed \$709,116 (2002 - \$29,286) as Northern Residential Subdivision Program expenses.

|                                         | Cumberland<br>House | Pinehouse | lie a la Crosse | Total 2003 | Total 2002 |
|-----------------------------------------|---------------------|-----------|-----------------|------------|------------|
| Net development cost, beginning of year | \$ 176,732          | \$ 19,636 | \$ 1,688        | \$ 198,056 | \$ 168,770 |
| Incurred during the year                | 13,252              | 190,379   | 505,485         | 709,116    | 29,286     |
| Development cost, end of year           | 189,984             | 210,015   | 507,173         | 907,172    | 198,056    |
| Less: previously expensed               | (176,732)           | (19,636)  | (1,688)         | (198,056)  | (168,770)  |
| Less: expensed during the year          | (13,252)            | (190,379) | (505,485)       | (709,116)  | (29,286)   |
| Net development cost, end of year       | \$ —                | \$ —      | \$ —            | \$ —       | \$ —       |

The NRSTA did not sell any of this land during the year or the prior year.

## 13. Related party transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the NRSTA by virtue of common control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are settled on agreed upon exchange amounts. The following table summarizes the routine related party transactions for the year:

|                                   | 2003       | 2002       |
|-----------------------------------|------------|------------|
| Expenses                          |            |            |
| Water and sewer transfers         | \$ 293,017 | \$ 627,377 |
| General government                | 848,721    | 833,963    |
| Accounts receivable               |            |            |
| Due from the General Revenue Fund | 1,729,971  | 2,147,176  |
| Lease receivable                  | 307,421    | 463,312    |
| Accounts payable                  | 711,778    | 613,312    |

In addition, the NRSTA pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to or from them are described separately in the financial statements and notes.

The NRSTA received the following transfers from related parties during the year:

|                                                                     | 2003                 | 2002                |
|---------------------------------------------------------------------|----------------------|---------------------|
| General Revenue Fund                                                |                      |                     |
| GRAA                                                                | \$ 10,224,666        | \$ 7,945,782        |
| Department of Community Resources and Employment                    | 61,277               | 36,333              |
| Saskatchewan Lotteries Trust Fund for Sport, Recreation and Culture | 6,687                | 20,380              |
| Grants in lieu from Saskatchewan departments and agencies           | 38,941               | 38,968              |
|                                                                     | <u>\$ 10,331,571</u> | <u>\$ 8,041,463</u> |

The Department of Environment is responsible for administering Crown land within the NSAD. Therefore, Crown land is not reflected on the Statement of Financial Position. However, in accordance with *The Northern Crown Land Disposition Regulations* and the Act, the NRSTA is entitled to receive all proceeds from Crown land sales and leases within the NSAD. During the year, the Department of Environment charged the NRSTA \$430,000 (2002 – \$430,000) for administration of Crown land lease fees and Crown land sales, which is included in general government expenses.

An annual administration charge of \$200,000 has been established by GRAA to offset its expenses for administering the NRSTA, which is included in general government expenses. At December 31, 2003, \$150,000 (2002 – \$150,000) remains unpaid and has been recorded as an account payable on the Statement of Financial Position.

#### 14. Commitments

As at December 31, 2003, the NRSTA is committed to funding northern water and sewer, capital grant and northern subdivision projects through 2004. These commitments total \$4.7 million (2002 – \$6.0 million).

#### 15. Comparative amounts

Certain comparative numbers have been reclassified to conform to the current year's financial statements presentation.

#### 16. Expenses by object

|                                                                         | 2003                 |                      | 2002                 |
|-------------------------------------------------------------------------|----------------------|----------------------|----------------------|
|                                                                         | Budget               | Actual               | Actual               |
| Transfers                                                               | \$ 19,749,589        | \$ 13,387,888        | \$ 10,721,551        |
| Wages and benefits                                                      | 436,860              | 390,019              | 280,006              |
| Administration                                                          | 788,921              | 739,521              | 714,173              |
| Maintenance, materials and supplies                                     | 811,650              | 646,951              | 719,038              |
| Contractual services                                                    | 710,486              | 548,588              | 292,830              |
| Utilities                                                               | 353,950              | 259,176              | 228,701              |
| Amortization                                                            | ---                  | 645,168              | 412,757              |
| Loss on disposal of tangible capital assets<br>and land held for resale | ---                  | 312,218              | ---                  |
| Bad debt expense                                                        | 109,825              | 56,777               | 295,050              |
| Other expenses                                                          | 97,609               | 44,705               | 81,817               |
|                                                                         | <u>\$ 23,058,890</u> | <u>\$ 17,031,011</u> | <u>\$ 13,745,923</u> |

**NORTHERN REVENUE SHARING TRUST ACCOUNT  
DETAILED SCHEDULE OF REVENUES (UNAUDITED)  
For the year ended December 31**

|                                                                                             | 2003                     |                          | 2002                           |
|---------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------------|
|                                                                                             | Budget<br>(Note 10)      | Actual                   | Actual<br>Restated<br>(Note 3) |
| <b>Revenues</b>                                                                             |                          |                          |                                |
| <b>Transfers</b>                                                                            |                          |                          |                                |
| Unconditional revenue sharing transfers                                                     | \$ 5,980,000             | \$ 5,980,000             | \$ 5,183,000                   |
| Unconditional Canada Saskatchewan Infrastructure<br>and Centenary program - water and sewer | 3,000,000                | 4,204,126                | 2,762,782                      |
| Conditional training, recreational and other                                                | 78,026                   | 108,504                  | 56,713                         |
| Grants in Lieu                                                                              | 105,457                  | 45,206                   | 45,009                         |
|                                                                                             | <u>9,163,483</u>         | <u>10,337,836</u>        | <u>8,047,504</u>               |
| <br>Lease fees                                                                              | <br>4,004,725            | <br>3,891,056            | <br>4,091,792                  |
| <br><b>Taxes</b>                                                                            |                          |                          |                                |
| Municipal tax levy                                                                          | 1,265,086                | 1,207,748                | 1,194,189                      |
| Discount on taxes                                                                           | (58,780)                 | (58,581)                 | (57,854)                       |
| Municipal taxes cancelled                                                                   | (10,315)                 | (10,933)                 | (11,833)                       |
| Municipal taxes refunded                                                                    | ---                      | (505)                    | (5,874)                        |
|                                                                                             | <u>1,195,991</u>         | <u>1,137,729</u>         | <u>1,118,628</u>               |
| <br><b>Interest</b>                                                                         |                          |                          |                                |
| Interest                                                                                    | 427,900                  | 636,228                  | 634,897                        |
| Penalty on taxes                                                                            | 30,000                   | 38,429                   | 32,611                         |
|                                                                                             | <u>457,900</u>           | <u>674,657</u>           | <u>667,508</u>                 |
| <br>Utility and fuel sales                                                                  | <br>760,740              | <br>549,436              | <br>711,455                    |
| <br>Land sales                                                                              | <br>150,000              | <br>166,539              | <br>243,851                    |
| <br>Other                                                                                   | <br>43,136               | <br>85,641               | <br>34,208                     |
| <br><b>Total revenue</b>                                                                    | <br><u>\$ 15,775,975</u> | <br><u>\$ 16,842,894</u> | <br><u>\$ 14,914,946</u>       |

**NORTHERN REVENUE SHARING TRUST ACCOUNT**  
**DETAILED SCHEDULE OF EXPENSES (UNAUDITED)**  
**For the year ended December 31**

|                                                                         | 2003                |                   | 2002                           |
|-------------------------------------------------------------------------|---------------------|-------------------|--------------------------------|
|                                                                         | Budget<br>(Note 10) | Actual            | Actual<br>Restated<br>(Note 3) |
| <b>Expenses</b>                                                         |                     |                   |                                |
| <b>Transfers</b>                                                        |                     |                   |                                |
| Northern revenue sharing                                                | \$ 6,651,939        | \$ 6,606,141      | \$ 5,683,193                   |
| Water and sewer                                                         | 10,422,860          | 5,095,234         | 3,882,986                      |
| Capital grants                                                          | 1,418,790           | 739,826           | 857,086                        |
| Northern residential subdivision program                                | 1,011,000           | 709,116           | 29,286                         |
| New North                                                               | 245,000             | 237,571           | 269,000                        |
|                                                                         | <u>19,749,589</u>   | <u>13,387,888</u> | <u>10,721,551</u>              |
| <b>General government</b>                                               |                     |                   |                                |
| Wages and benefits                                                      | 33,350              | 20,911            | 25,637                         |
| Administration                                                          | 788,921             | 739,521           | 714,173                        |
| Contractual services                                                    | 465,035             | 353,704           | 77,362                         |
| Utilities                                                               | 47,800              | 47,631            | 38,873                         |
| Maintenance, materials and supplies                                     | 16,750              | 8,918             | 9,988                          |
| Loss on disposal of tangible capital assets and<br>land held for resale | ---                 | 312,218           | ---                            |
| Other                                                                   | 24,244              | 12,896            | 23,647                         |
| Amortization                                                            | ---                 | 144,629           | 107,163                        |
|                                                                         | <u>1,376,100</u>    | <u>1,640,428</u>  | <u>996,843</u>                 |
| <b>Utilities operating expense</b>                                      |                     |                   |                                |
| Wages and benefits                                                      | 90,090              | 78,778            | 7,607                          |
| Contractual services                                                    | 58,676              | 46,230            | 19,820                         |
| Utilities                                                               | 165,700             | 88,071            | 124,074                        |
| Maintenance, materials and supplies                                     | 47,000              | 42,346            | 253                            |
| Other                                                                   | 35,200              | 23,620            | 22,091                         |
| Amortization                                                            | ---                 | 243,194           | 61,994                         |
|                                                                         | <u>396,666</u>      | <u>522,239</u>    | <u>235,839</u>                 |
| <b>Recreation and cultural</b>                                          |                     |                   |                                |
| Wages and benefits                                                      | 32,400              | 38,021            | 19,313                         |
| Contractual services                                                    | 9,500               | 7,571             | 73,688                         |
| Utilities                                                               | 62,800              | 50,244            | ---                            |
| Maintenance, materials and supplies                                     | 59,950              | 44,829            | 18,749                         |
| Other                                                                   | 3,950               | 3,991             | ---                            |
| Amortization                                                            | ---                 | 147,066           | 143,088                        |
|                                                                         | <u>168,600</u>      | <u>291,722</u>    | <u>254,838</u>                 |
| <b>Environmental</b>                                                    |                     |                   |                                |
| Wages and benefits                                                      | 209,155             | 178,522           | 157,181                        |
| Contractual services                                                    | 98,800              | 70,376            | 68,310                         |
| Maintenance, materials and supplies                                     | 38,575              | 27,177            | 5,998                          |
| Other                                                                   | 2,550               | 1,760             | 7,909                          |
| Amortization                                                            | ---                 | 4,475             | 4,186                          |
|                                                                         | <u>349,080</u>      | <u>282,310</u>    | <u>243,584</u>                 |

**NORTHERN REVENUE SHARING TRUST ACCOUNT  
DETAILED SCHEDULE OF EXPENSES (UNAUDITED)  
For the year ended December 31**

|                                     | 2003                 |                      | 2002                           |
|-------------------------------------|----------------------|----------------------|--------------------------------|
|                                     | Budget<br>(Note 10)  | Actual               | Actual<br>Restated<br>(Note 3) |
| Transportation services             |                      |                      |                                |
| Wages and benefits                  | \$ 49,370            | \$ 56,968            | \$ 65,904                      |
| Contractual services                | 74,825               | 41,279               | 53,128                         |
| Utilities                           | 74,000               | 69,027               | 65,098                         |
| Maintenance, materials and supplies | 64,925               | 44,139               | 33,036                         |
| Other                               | 13,430               | 2,438                | 4,243                          |
|                                     | <u>276,550</u>       | <u>213,851</u>       | <u>221,409</u>                 |
| Protective services                 |                      |                      |                                |
| Wages and benefits                  | 22,500               | 16,819               | ---                            |
| Maintenance, materials and supplies | 5,700                | 1,560                | ---                            |
| Contractual services                | 3,650                | 4,921                | ---                            |
| Utilities                           | 3,650                | 3,373                | ---                            |
| Other                               | ---                  | ---                  | 5,011                          |
| Amortization                        | ---                  | 16,027               | 6,549                          |
|                                     | <u>35,500</u>        | <u>42,700</u>        | <u>11,560</u>                  |
| Public health and welfare           |                      |                      |                                |
| Wages and benefits                  | ---                  | ---                  | 4,364                          |
| Contractual services                | ---                  | 855                  | 522                            |
| Utilities                           | ---                  | 102                  | ---                            |
|                                     | <u>---</u>           | <u>957</u>           | <u>4,886</u>                   |
| Planning and development            |                      |                      |                                |
| Contractual services                | ---                  | 23,602               | ---                            |
| Other                               | ---                  | ---                  | 2,736                          |
|                                     | <u>---</u>           | <u>23,602</u>        | <u>2,736</u>                   |
| Fuel operating cost                 |                      |                      |                                |
| Maintenance, materials and supplies | 580,800              | 477,962              | 651,014                        |
| Contractual services                | ---                  | 50                   | ---                            |
| Utilities                           | ---                  | 728                  | 656                            |
| Other                               | 16,180               | ---                  | 16,180                         |
| Amortization                        | ---                  | 89,777               | 89,777                         |
|                                     | <u>596,980</u>       | <u>568,537</u>       | <u>757,627</u>                 |
| Bad debt expense                    | 109,825              | 56,777               | 295,050                        |
| Total expenses                      | <u>\$ 23,058,890</u> | <u>\$ 17,031,011</u> | <u>\$ 13,745,923</u>           |

